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November 7, 2006

DMH LETTER NO.: 06-08

TO: LOCAL MENTAL HEALTH DIRECTORS
LOCAL MENTAL HEALTH PROGRAM CHIEFS
LOCAL MENTAL HEALTH ADMINISTRATORS
COUNTY ADMINISTRATIVE OFFICERS
CHAIRPERSONS, LOCAL MENTAL HEALTH BOARDS

SUBJECT: COST REPORTING - NEW SERVICE FUNCTION CODES FOR
NON-MEDI-CAL CLIENT SUPPORTS AND NON-MEDI-CAL
CAPITAL ASSETS

With the implementation of the Mental Health Services Act (MHSA), it is necessary that the Department of Mental Health (DMH) be able to distinguish between expenditures for direct services and expenditures for client supports. As a result, DMH is adding five new service function codes under Mode 60, Support Services. Expenditures in these categories are expected to reflect the costs associated with: (1) providing fiscal housing supports; (2) operating costs for housing; (3) providing other supports, such as food and clothing; (4) non-Medi-Cal capital assets; and (5) other non-Medi-Cal client supports to clients, their family and/or caregiver. While it is expected that the majority of expenditures reflected in these categories will be related to the MHSA, expenditures from other funding sources may also be relevant.

The service function codes described above: 70, 71, 72, 75 and 78, under Mode 60, should be used beginning with the fiscal year 2005-06 cost report. Please refer to the attachment for the service function code definitions.

If you have general questions, or questions regarding the types of expenditures to be reported in these categories, please call Dee Lemonds or Vivian Lee at (916) 654-3001 and (916) 651-6281, respectively. If you have questions about how to report these expenditures through the cost report, please contact your Cost Reporting and Financial Support Analyst, or call (916) 654-2314.

Sincerely,

Original signed by

STEPHEN W. MAYBERG, Ph.D.
Director

Attachment

cc: Michael A. Borunda, Deputy Director, Systems of Care
Dave Neilsen, Chief, Community Services and Supports
Marjorie Glaviano, Chief, County Operations
John Lessley, Chief, County Operations South and Central
Rebecca Kirby, Chief, County Operations, North and Bay
Zoey Todd, Chief, Child and Family Program Policy
Dee Lemonds, Chief, Adult and Older Adult Program Policy
Vivian Lee, Adult and Older Adult Program Policy
Robin Mandella, Chief, Cost Reporting and Financial Support
Marilyn Liddicoat, Cost Reporting and Financial Support